



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

November 29, 2001

S. 835

Detroit River International Wildlife Refuge Establishment Act

*As ordered reported by the Senate Committee on Environment and Public Works
on November 8, 2001*

SUMMARY

S. 835 would establish the Detroit River International Wildlife Refuge in Michigan and Canada. Assuming appropriation of the necessary amounts, CBO estimates that initial costs to establish the new refuge would be between \$13 million and \$21 million over the five years following enactment. Recurring costs to administer the refuge would be about \$0.7 million annually, also assuming appropriation of the necessary amounts. Other costs of implementing S. 835, such as environmental cleanup and restoration, are uncertain but could reach many times the initial investment over several years. Enacting this legislation would not affect direct spending or receipts; therefore, pay-as-you-go procedures would not apply.

The bill contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would impose no costs on state, local, or tribal governments.

MAJOR PROVISIONS

The Detroit River International Wildlife Refuge would encompass over 5,400 acres of land around the Detroit River, including the existing Wyandotte National Wildlife Refuge. The bill would authorize the U.S. Fish and Wildlife Service (USFWS) to acquire, by donation, purchase, or exchange, land and other interests within the new boundary. In addition to managing federally owned acreage within the refuge, the USFWS could execute cooperative agreements for the management of refuge lands that remain in state, local, or private ownership. To carry out these activities, the bill would authorize the appropriation of whatever sums are necessary. Finally, S. 835 would authorize the Secretary of the Interior to indemnify persons who donate refuge lands to the federal government from any liability or cost due to the presence of hazardous substances or other pollution on this property.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The initial \$13 million to \$21 million cost of implementing S. 835 would cover activities such as planning, land acquisition, and basic development. CBO estimates that planning (including the preparation of conservation plan documents, environmental assessments, and studies) would cost about \$1 million over the first two years. Land acquisition costs are uncertain, but would probably be between \$5 million and \$10 million over five years. (CBO expects that the USFWS would not purchase much of the 5,400 acres within the refuge boundary because most of this land is either located in Canada, already protected by government agencies or nonprofit organizations, or badly contaminated with pollutants.)

In addition to these initial costs, CBO estimates that developing at least one site for visitor and administrative use (including demolishing existing man-made structures and building trails, parking lots, a visitor center, and other facilities) would cost between \$7 million and \$10 million. We estimate that managing the new refuge would increase USFWS operating costs by about \$700,000 annually. All of these costs would be subject to the appropriation of the necessary amounts.

Finally, implementing the legislation could result in significant costs for land restoration, decontamination, and indemnification for current property owners. Such costs are uncertain because they would depend on how much land the USFWS would acquire, the condition of that land for conservation purposes, and the type and extent of contamination present (if any).

Restoration Costs

CBO expects that a significant portion of land within the proposed refuge would require some level of restoration. The USFWS would be responsible for all of these costs on any lands it acquires and also could share the cost of restoring nonfederal property within the refuge under cooperative agreements with landowners. The total costs of these activities cannot be estimated in the absence of a land acquisition plan for the refuge and a specific environmental assessment of each parcel. Land restoration costs could be significant, however—the cost of similar work undertaken by the USFWS and by nonprofit organizations has ranged from \$500 to \$1,000 per acre. Restoration activities could include removing old seawalls on riverfront property, demolishing buildings and other facilities at former industrial sites, re-creating wetlands, and re-seeding wetlands and grasslands with local plant species.

Decontamination and Indemnification Costs

While CBO assumes that the USFWS would try to avoid acquiring land for the refuge that is contaminated with hazardous waste or other pollutants, acquisition of such land is authorized by the bill and could occur. Estimated costs to clean up contaminated sites vary widely. Previous cleanup projects at other refuges where the USFWS has discovered contamination have cost the agency anywhere from \$3,000 per acre to over \$1 million per acre. Cleanup activities range from capping contaminants under barriers to more expensive solutions, such as removing or incinerating contaminated soil.

Finally, the federal government could incur significant additional costs if the Secretary of the Interior accepts donations of contaminated land and agrees to indemnify the donors against any potential liability resulting from that contamination. If the donated land is contaminated and the donor was held to be liable, the federal government would ultimately pay the full costs of any judgment awarded because of contamination. Because it is impossible to predict the likelihood or outcome of such a sequence of events, CBO cannot estimate the costs of indemnification.

PAY-AS-YOU-GO CONSIDERATIONS: None.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

S. 835 contains no intergovernmental or private-sector mandates as defined in UMRA and would impose no costs on state, local, or tribal governments.

PREVIOUS CBO COST ESTIMATE

On October 29, 2001, CBO prepared a cost estimate for H.R. 1230, the Detroit River International Wildlife Refuge Establishment Act, as ordered reported by the House Committee on Resources on September 12, 2001. H.R. 1230 and S. 835 are very similar, and the estimated costs of the two versions of the legislation are identical.

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